

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et
al.*

Debtors.¹

PROMESA

Title III

Case No. 17 BK 3283-LTS
(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO

as representative of

PUERTO RICO ELECTRIC POWER
AUTHORITY,

Debtor.


PROMESA

Title III

Case No. 17 BK 4780-LTS


**DECLARATION OF JOSÉ RIVERA RIVERA IN SUPPORT OF SREAEE'S
OBJECTION TO THE CONFIRMATION OF THE PLAN OF ADJUSTMENT**

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¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations.)

I, José Rivera Rivera, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

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1. My name is José R. Rivera Rivera. I am a resident of Utuado, of legal age, single and retired.
 2. I am currently the President of the Board of Trustees of the Sistema de Retiro de los Empleados de la Autoridad de Energía Eléctrica (“SREAEE”).
 3. SREAEE is a creditor in the Puerto Rico Electric Power Authority’s (“PREPA”) Title III Case No. 17-BK-04780-LTS.
 4. According to the Disclosure Statement, the Oversight Board aims to change SREAEE by rejecting PREPA’s mandate that uphold a fully funded pension scheme for employees and retired PREPA staff who are continuously accruing retirement benefits, along with periodic adjustments to the cost of living.
 5. The Disclosure Statement also states that the Oversight Board has engaged in negotiations with SREAEE over the proposed pension reform.
 6. SREAEE understands that these negotiations have not been carried out in good faith, due to the Oversight Board's lack of substantial commitment to exploring alternative solutions to their proposed pension reform.
 7. On August 9, 2022, the Oversight Board presented the proposed pension reform to the SREAEE.
 8. Following a comprehensive evaluation of the proposal by the Board of Trustees and its advisors, it was rejected and a counterproposal was presented by the SREAEE on November 17, 2022.
 9. A brief conference was held between the parties' actuaries. However, as today, there has been no response from the Oversight Board. It is the belief of SREAEE that the Oversight Board is focusing on the elimination of PREPA’s obligations under the collective bargaining agreements of PREPA’s unions, as an attempt to evade direct negotiations with the Board of Trustees of SREAEE.
 10. The counterproposal put forth by SREAEE is both reasonable and self-financing. Mr. José Fernández, SREAEE’s actuarial expert, provided the Board of Trustees with an analysis of the financial feasibility and sustainability of the counterproposal over time, demonstrating its potential for self-financing. This analysis was provided to the Oversight Board.

11. However, the Oversight Board has remained unresponsive. Their lack of responsiveness, despite the merits of SREAAE's proposal, raises questions about their true commitment to negotiation and their willingness to find a workable solution.
12. All negotiations should be conducted in good faith. This means that all parties involved should show a sincere intention to deal fairly with each other and strive for a mutually beneficial outcome. The Oversight Board's failure to respond to SREAAE's reasonable and self-financing counterproposal does not demonstrate good faith. It suggests a disregard for fair negotiation and an unwillingness to pursue potentially beneficial alternatives.

I declare under penalty of perjury under the laws of the United States of American that the foregoing is true and correct to the best of my knowledge and belief.

Dated: June 12, 2023



Signature

José Rivera Rivera
Declarant's Name